

INFORMATION LETTER

Not for Publication **NATIONAL CANNERS ASSOCIATION** For Members Only

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Change in Labels Not Obligatory

The Association on March 20th sent to all canners, as well as to label manufacturers, a statement on the subject of label supplies for the current year. Following are excerpts from this statement, including the text of a letter received by the Association from the Industrial Advisory Board of the National Recovery Administration:

The N. R. A. Division Administrator in charge of the Canning Industry Code has sent to label manufacturers advice and suggestions that are being interpreted as meaning that grade labeling will be required at a future date and that to meet this expected requirement, as well as to avoid future difficulties, canners should put on their labels a grade designation such as A, B, or C, or Fancy, Choice, or Standard. Circulation of the Division Administrator's advice and suggestions among canners has led to further confusion and misunderstanding of the situation with respect to label supplies for the current year.

In view of this situation the Association directed a letter, under date of March 11th, to the Industrial Advisory Board, inquiring whether there was a basis in fact for the inferences that might be drawn from the suggestions that had been circulated, and requesting information as to the present status of the labeling question. The Association has received from Mr. W. P. Witherow, Vice-Chairman of the Industrial Advisory Board, National Recovery Administration, the following letter, under date of March 19th:

"In answer to your question relative to the status of proposed label regulations under the Code of Fair Competition for the Canning Industry, No. 446, we have made various inquiries and find the situation to be as follows to the best of our knowledge and belief.

"Under the Executive Order approving your Code there was a requirement that the industry designate a committee to cooperate with the Administrator in the formulation of standards of quality for products of the industry, and to make recommendations to the Administrator within 90 days for the inclusion in the Code of provisions dealing with standards and labeling requirements. Inasmuch as the report required by the above clause has been made, the industry has fulfilled the obligation imposed upon it by the Executive Order. So far as we know, the National Recovery Administration has not committed itself to any specific labeling program, although it is apparent from releases that the Consumers' Advisory Board and some of the bureaus in the Department of Agriculture favor symbolic labeling.

"Canners would therefore seem to be under no obligation pending voluntary amendment of their Code to make any changes whatsoever in their labels, except as required by the Department of Agriculture, or except such changes as they may be inclined to make voluntarily."

The Labeling Committee, in view of the fact that the industry is committed to a descriptive labeling plan as recommended to the National Recovery Administration by the industry's committee last September, has advised canners to place orders, as they would under ordinary circumstances, for the labels they will need during the current season, but not to order supplies in excess of that amount.

The descriptive labeling plans will be carried forward as rapidly as possible, but it will take time to work out the details before the plan can be placed in operation.

Canners are free, of course, to make such changes in their labels as they desire and as may be in conformance with the Food and Drugs Act.

It is the Food and Drugs Act that governs labeling and it is the Food and Drug Administration, not the National Recovery Administration, that will ultimately determine whether labels are acceptable to the Food and Drug Administration and whether labeling as done by the canner conforms with the law.

Canners may make an effort, if they so desire, to anticipate future labeling requirements. This, of course, will involve an expense which may or may not be justified by future developments. The only safe guide in making a decision is to be found in the facts of the situation, not in advice which, if followed, would accomplish by indirection the ends which proponents of grade labeling have otherwise been unable to attain.

Government Report on Intended Pea Acreage

Reports to the U. S. Bureau of Agricultural Economics from 183 representative firms who contracted or grew 80 per cent of the total acreage of green peas for canning in 1934, indicate that these firms intend to contract or plant for the 1935 season an increase of nearly 14 per cent over the acreage planted in 1934. Should the canners carry out their intentions in line with present indications, the Bureau estimates that the planted acreage in 1935 would total 319,360 acres or the largest planted acreage of record. Planted acreage was 281,140 acres in 1934, 228,300 acres in 1933, 207,750 in 1932, 258,930 in 1931, and 277,730 acres in 1930.

Planted acreage abandoned by reason of unfavorable weather and growing conditions during the last five years as reported by the Bureau was as follows: 1930, 4.0 per cent; 1931, 13.7 per cent; 1932, 9.6 per cent; 1933, 4.8 per cent; and 1934, 11.0 per cent.

Drought and other unfavorable growing conditions have made severe inroads on the crop during the past four years, with the result that average yields during this period were the lowest on record. Average yields per acre obtained on the harvested acreage during the past five years were: 1930, 1,833 pounds; 1931, 1,320 pounds; 1932, 1,245 pounds; 1933, 1,260 pounds; and 1934, 1,316 pounds.

If the 1935 growing season develops adverse conditions similar to those of the past four years, the total production resulting from a planting of 319,360 acres (applying an average acreage abandonment of 8.6 per cent) would be approximately 187,000 tons of shelled peas, according to the Bureau. Should favorable growing conditions prevail similar to the 1929 and 1930 seasons and the acreage abandonment hold to the low reports of those years, a total of 275,000 tons would be produced. Interpreting the results on the basis of past relationships the Bureau indicates that 187,000 tons would pack 17,200,000 cases of 24 No. 2 cans, while a production of 275,000 tons would pack approximately 25,200,000 cases.

Revised Order Issued for Entry of Sugar for Reexport

Revisions clarifying the procedure that governs the entry of sugar into continental United States for reexport or for redelivery into customs custody were approved on March 16 by R. G. Tugwell, Acting Secretary of Agriculture. The procedure in the revised form is known as General Sugar Order No. 1, Revision 1. The order is of interest chiefly to refiners who export sugar in refined form, and to the canning industry, especially on the Pacific coast, for which industry the original order was found to be unsuited.

Under the revision the following classes of sugar may enter continental United States under bond without being charged to the quotas for the respective areas established under the Jones-Costigan Act:

(a) Sugar brought into continental United States for the purpose of being processed and exported or shipped as sugar, and not to be used for domestic consumption in continental United States;

(b) Sugar released from United States Customs custody and control for the sole purpose of being processed and returned thereto; and

(c) Sugar imported into continental United States to be manufactured into articles to be exported or shipped from continental United States with benefit of drawback, or to be designated as the basis of a claim for drawback.

The revision provides for greater flexibility in determining the amount of the bond required for entry of these classes of sugars, and the time limit of such bonds, and otherwise clarifies the original order.

Money Appropriated for Shellfish Investigation

The Appropriation bill for the Departments of State, Justice, Commerce, and Labor, as agreed to in conference, carries an appropriation of \$100,000 for a shellfish investigation by the Bureau of Fisheries of the Department of Commerce, of which \$50,000 is made immediately available. This item was added to the appropriation bill to take care of the work contemplated by the bill recently vetoed by President Roosevelt which would have appropriated \$500,000 for this purpose. The veto was based partly on the fact that investigation and experimentation could be carried on by the Bureau of Fisheries under existing authority. The Senate amendment to the bill would have appropriated \$250,000, but this amount was reduced by the conferees to \$100,000.

Canners Appear at Hearing on Proposed Canadian Trade Agreement

The government Committee for Reciprocity Information conducted hearings March 18, 19 and 20 in connection with the proposed reciprocal trade agreement with Canada. Over a hundred witnesses presented oral testimony and among these were a large number of senators and congressmen appearing on behalf of their constituents.

Witnesses for Maine sardine canners, clam canners and blueberry canners presented testimony in protest of any reduction in the tariff protection afforded by the present tariff act. Strong protests were also made by fresh fruit and vegetable interests and on behalf of a large number of other agricultural commodities against reduction of tariff schedules.

The American negotiators of the reciprocal trade agreement with Canada will consider the oral testimony offered at these hearings, together with the briefs previously filed by interested American industries, in later discussions with representatives of the Dominion government.

Tentative Amended Evaporated Milk Agreement Signed

An amended marketing agreement for the evaporated milk industry has been tentatively approved by Secretary of Agriculture Henry A. Wallace for submission to the members of the industry. The amended agreement was drafted after discussion at a public hearing and careful study of the developments under the agreement, which originally became effective on September 9, 1933. When signed by a majority of the manufacturers the agreement will be returned to the Agricultural Adjustment Administration for final approval and effective date.

As submitted to the industry for signature, the tentative agreement provides somewhat increased prices to producers in certain areas

by means of the formula; open selling prices on case goods to be filed with the Secretary of Agriculture and the managing agent of the industry; and selection of the industry committee on a volume basis.

Additional provision is made for check-testing and weighing of milk by representatives of producers who desire to institute this service at the evaporating plants where milk is delivered.

The principal change in the agreement is the abolition of the maximum and minimum resale price lists and the substitution of the open price system. The agreement provides for a license if desired by the industry.

Fresh Tomato Marketing Agreements Tentatively Approved

The Secretary of Agriculture has tentatively approved marketing agreements for tomatoes grown in Eastern Texas and Mississippi and in the Lower Rio Grande Valley of Texas. These agreements are being sent to shippers for their signatures. They would require all shipments of tomatoes to be graded according to the United States standards and to be inspected and certified by the Federal-State Inspection Service. They also provide for withholding inferior grades and sizes when in the judgment of the control committee such action is necessary to improve returns to growers. The authority to limit shipments is subject to the approval of the Secretary of Agriculture. Any grower whose crop consists of the prohibited grades and sizes would upon application be allowed certain exemptions from such requirements.

Fruit and Vegetable Market Competition

CARLOT SHIPMENTS AS REPORTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,
DEPARTMENT OF AGRICULTURE

Commodity	Week ended March 16 1934	Week ended March 16 1935	Week ended March 9 1935	Total for season thru'g March 16 1934	1935
Vegetables:					
Beans, snap and lima	280	330	344	6,441	3,902
Tomatoes	552	366	250	4,570	3,357
Green peas	225	117	147	1,810	1,472
Spinach	460	279	176	5,438	3,705
All other vegetables:					
Domestic—					
Competing directly	3,997	2,685	3,002	70,210	63,358
Competing indirectly	87	204	576	33,242	51,083
Imports—					
Competing directly	547	599	51	9,483	9,080
Competing indirectly	44	29	38	300	890
Fruits:					
Citrus, domestic	3,890	3,380	3,640	62,955	71,859
Imports	6	3	2	468	281
Others, domestic	172	129	148	15,265	17,987
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Proposes Tariff of Seven Cents Per Pound on Scallops

Representative Gifford of Massachusetts has introduced a bill (H. R. 6797) that would establish an import duty of 7 cents per pound on scallops, whether in fresh, frozen, or canned form.

Can Size Simplification Recommendation Available in Printed Form

The Simplified Practice Recommendation for cans for fruits and vegetables, issued November 27, 1934, is now available in printed form from the Superintendent of Documents, Government Printing Office, Washington, at 5 cents per copy. The pamphlet contains the schedule of 27 sizes of cans approved, a statement on the development of the simplification project, and a list of associations and individual firms that have indicated their acceptance of the program.

Japanese Canned Food Production and Trade in 1934

The Japanese canning industry as a whole prospered during 1934 as a result of the continued heavy demand in foreign markets for Japanese canned goods, according to a report from the American commercial attache at Tokyo. Unfavorable weather conditions undoubtedly affected the size of the vegetable pack, but the losses sustained by this branch of the industry were offset by the larger fish packs, which, excepting tuna fish, were above the level of the previous year.

Salmon packers enjoyed the most prosperous season in the history of the industry. Due to the heavy catch of fish in Northern waters, the pack up to the end of October amounted to 2,282,000 cases, compared with 1,443,000 cases during the corresponding period of 1933. Exports of canned salmon also reached a new high level during the year in both volume and value. For the first eleven months they amounted to 46,844,000 pounds valued at 17,822,739 yen, an increase of 4,692,000 pounds and 6,868,000 yen over the corresponding period of 1933.

Small catches of tuna fish and the tariff increase by the United States resulted in a pack of only 280,000 cases during 1934 compared with 605,000 cases during the previous year. The quota for the 1935 pack has been set at 300,000 cases by the Department of Agriculture and Forestry.

Canneries formerly engaged in the packing of tuna fish concentrated on the packing of canned mandarin oranges during the past year in order to fill the heavy orders from British importers. The 1934 pack of mandarin oranges is estimated at 500,000 cases compared with 120,000 cases during the previous year. No separate figures are shown in the export returns for canned oranges, nor are comparative figures available for the previous year, but the total exports of all types of canned fruit during the first eleven months of 1934 amounted to 16,699,531 pounds valued at 2,728,000 yen.

The 1934 canned crab pack amounted to 396,000 cases, an increase of 86,000 cases over the previous year, but exports dropped 96,000 cases from the previous year to 313,971 cases, due to the smaller purchases of the principal consuming countries, the United States, Great Britain and France.

Canned sardine production was stimulated by the heavy demand from Asiatic countries where the Japanese product has displaced American sardines in popularity because of their low prices. The 1934 pack is estimated at 500,000 cases, an increase of 80,000 cases over 1933.

The total exports of canned foodstuffs of all types during the first eleven months of 1934 amounted to approximately 130,687,000 pounds, valued at 45,832,000 yen, an increase of 13,424,000 pounds and 3,143,000 yen over the corresponding period of 1933. There was a marked change in the position of the two principal markets during 1934. Great Britain was by far the largest buyer of Japanese canned goods, whereas during the previous year the United States was the principal market. The value of exports to the United States dropped from 16,683,000 yen to 14,894,000 yen, while exports to Great Britain increased from 18,505,000 to 41,623,000 yen.

New Statistical Bulletin Mailed to Members

The Association has mailed to all members a statistical bulletin which is the first of an annual series planned by the Statistical Division to replace the separate leaflets heretofore issued on individual products. The new bulletin includes information on only those commodities upon which the Statistical Division has collected pack figures, but it will be enlarged as rapidly as the Association's statistical work is extended to include additional commodities.

Weather Men Discover 11-Month Cycle

Late spring will be warm and dry in the Midwest this year, if May conforms to its usual practice of bringing high temperatures 11 months after an abnormally hot June. This does not mean that if May, 1935, follows the usual sequence it will usher in another drought in the central valleys.

Climatologists of the Weather Bureau have discovered a definite 11-month weather sequence from May's habit of being warm when June of the year before has been abnormally warm. Past records show that every June for which temperatures 5 degrees above normal were recorded was followed the next year by a warm May over most of the Missouri and upper Mississippi Valleys. When June temperatures were 5 degrees or more below normal, the sequence still held, with cool Mays.

The 11-month cycle evolved for a mid-continental area, subject to all sorts of climatic vagaries, works even better in mid-oceanic regions.

Bermuda temperatures for June, July, and August show a striking correlation with those coming 11 months later. Each of the 18 warmest Junes on this island has preceded, by 11 months, a warmer than normal May, and 17 of the 19 coolest Junes have preceded cool Mays.

As is the case with most aids to long-range forecasting, the Weather Bureau points out, the 11-month weather sequence presents several baffling problems. One is that the abnormalities in June temperatures do not occur in the same years in both the mid-continental and the mid-oceanic regions. Another is that between these two regions lies a large area showing no such sequences. A third peculiarity is that in Siberia, near the middle of the Eurasian Continent, the 11-month sequence prevailing on part of the North American Continent goes into reverse. There, for example, a warm June is usually followed, within 11 months, by a cool May.

[In connection with the foregoing, canners might be interested in the study of the relation between temperature and rainfall and corn yields, which appeared in Information Letter No. 508 for June 9, 1934, under the title, "Crop yields as affected by drought."]

Copeland Bill Ordered Reported to Senate

Further progress toward revision of the Food and Drugs Act was made on March 22, when the Senate Committee on Commerce ordered the Copeland bill (S. 5) reported. The hearings on the bill ended March 9th, since which time the Committee has had under consideration the information and proposals submitted at the hearings. Information as to the final form in which the bill was approved by the Committee is not available at the time the INFORMATION LETTER goes to press, but it is understood that the changes from the third Committee print are minor in character.

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